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FISCAL IMPACT STATEMENT

LS 6107

BILL NUMBER: HB 1056

NOTE PREPARED: Nov 30, 2009

BILL AMENDED:

SUBJECT: Development of Backcountry Areas in State Forests.

FIRST AUTHOR: Rep. Pierce

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that backcountry areas of Yellowwood State Forest and Morgan-Monroe State Forest may not be developed in a manner that permits motorized access, sale of timber, or commercial activity.

Effective Date: July 1, 2010.

Explanation of State Expenditures: The bill would result in a reduction in expenditures by the Department of Natural Resources (DNR) for developing backcountry areas and maintaining access to the areas in a manner that would allow for motorized access, commercial logging, or commercial activity.

The state currently has scheduled a sale to be taken from the Morgan-Monroe backcountry area. A bulldozer will be used to improve an existing old roadway and to establish two log landings for the storage and loading of logs. Total cost to conduct this sale is over \$4,000, including road work, labor, paint, and materials. Net income would be about \$50,000.

Costs of access to timber will vary depending on specific conditions. A recent timber sale in the Jackson-Washington State Forest backcountry area cost \$6,500 to repair a road. Repaired roads would require continued maintenance.

IC 14-23-4-5 provides that 85% of the net receipts from state timber sales must be deposited in the State Forestry Fund; 15% must be deposited in the general fund of the county in which the state forest is located. All distributions must be made after deducting costs incurred by the DNR. In FY 2010, state forest timber sale revenues equaled \$2.6 M. Expenses equaled \$219,640. Expenses included the cost of developing access,

sale marking costs, and administrative costs.

Explanation of State Revenues: *Summary:* The overall impact is expected to be minimal—around \$7,500. (See *Explanation of State Expenditures* above.)

If the land were not harvested, the state and local community would still receive tourism revenue from hikers, hunters and fishers, and other recreational users who might be drawn to the unique properties of backcountry areas.

Background: In Indiana, over 3.8 M acres of forests are privately owned. The state owns 150,000 acres. The state has three to four backcountry areas. The Morgan-Monroe backcountry consists of 3,000 acres.

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would likely have minimal effect on local revenues. Counties would still be able to receive revenue from timber sales that are not located in backcountry areas. (See *Explanation of State Revenues* above.)

State Agencies Affected: DNR.

Local Agencies Affected: Morgan and Monroe Counties.

Information Sources: DNR, <http://www.in.gov/dnr/forestry/5270.htm>; DNR presentation, House Natural Resources Committee and the Natural Resources Interim Study Committee, 2009.

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